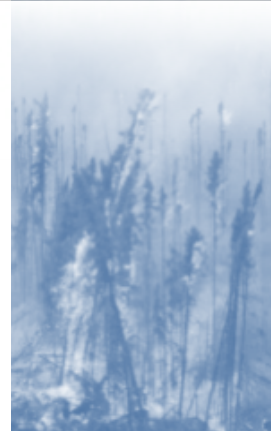
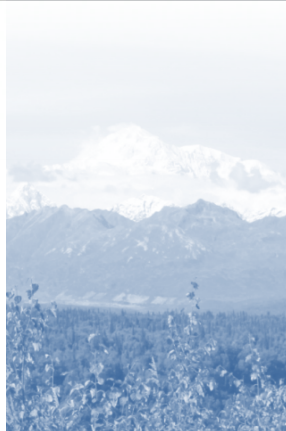




# State of ALASKA

Department of Natural Resources



## Proposed DGGS/GMC Fee Regs

Steven S. Masterman

DGGS Director and State Geologist

Fairbanks: June 21, 2017

Anchorage: June 28, 2017

More information: <http://bit.ly/gmc-fees>

# Introduction



## April 2015

- Geologic Materials Center (GMC) relocated
- Eagle River: 5 old buildings and 57 shipping containers

## July 2015

- Anchorage facility opened at 3651 Penland Pkwy
- Anchorage: 100,000 sq. ft. heated warehouse for \$24M

# Cost to the State - New GMC



## Expenses

Public Building Fund (est.)	\$	635,000
Personnel	\$	427,000
Administrative Costs (est.)	\$	40,000
Supplies	\$	20,000
		<hr/>
		\$ 1,122,000

## Revenue

General Fund	\$	319,000
Space Rental	\$	298,000
Other	\$	50,000
		<hr/>
		\$ 667,000

Balance	\$	<b>(455,000)</b>
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Additional revenue is necessary for the long term viability of the facility.

# Senate Bill 170



- June 2016: signed by Governor Bill Walker
- Provides DGGS authority to charge fees:

“DGGS may charge and collect a fee for facilities, equipment, products, or services that the division offers.”

# Senate Bill 170



Before setting the fees, the division shall consider at a public hearing the:

1. Cost to the state
2. Fees for similar service or products by other government or private entities
3. Public interest (waivers and discounts)

# Regulation Details



- Proposed fees are maximum allowable fees
- Actual fees will be set, and periodically revised, by the DGGS Director
- Regulation and fee categories (<http://bit.ly/gmc-fees>)

Rental of space

Rental of sample viewing facilities

Retrieval, cutting, splitting, processing,  
or sampling of geological materials

Use of equipment

Analyses, maps, reports, data, or  
products authorized by the division

Recoup costs to distribute seismic  
surveys

# Cost to the State



## Estimated Fee Administration Costs

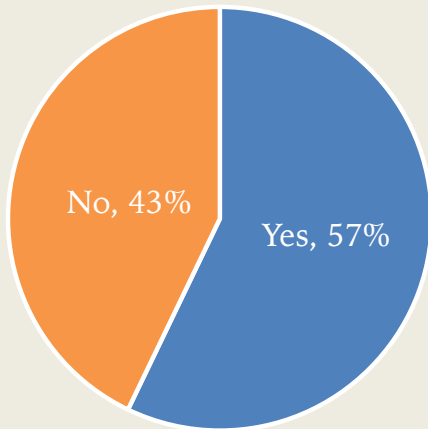
FY2018: \$38,100

Subsequent years: \$40,300

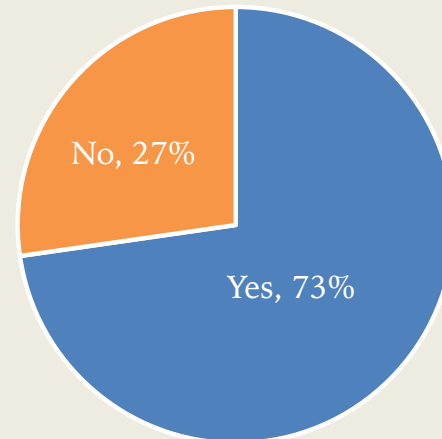
# Fees at Other Core Repositories



Charges Fees for Services (All)



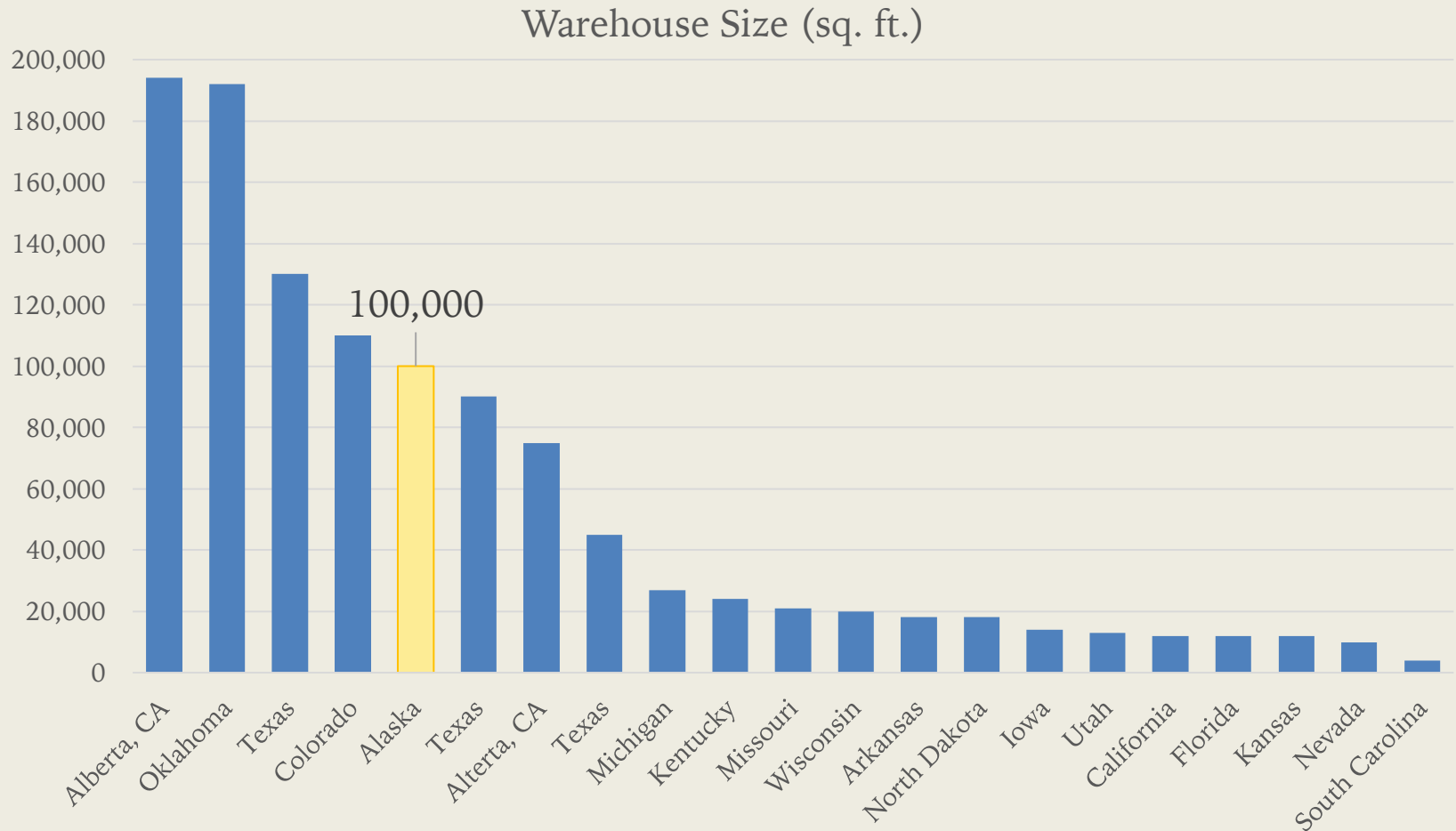
Charges Fees for Services  
(Repositories over 20K sq. ft.)



24 repositories compared



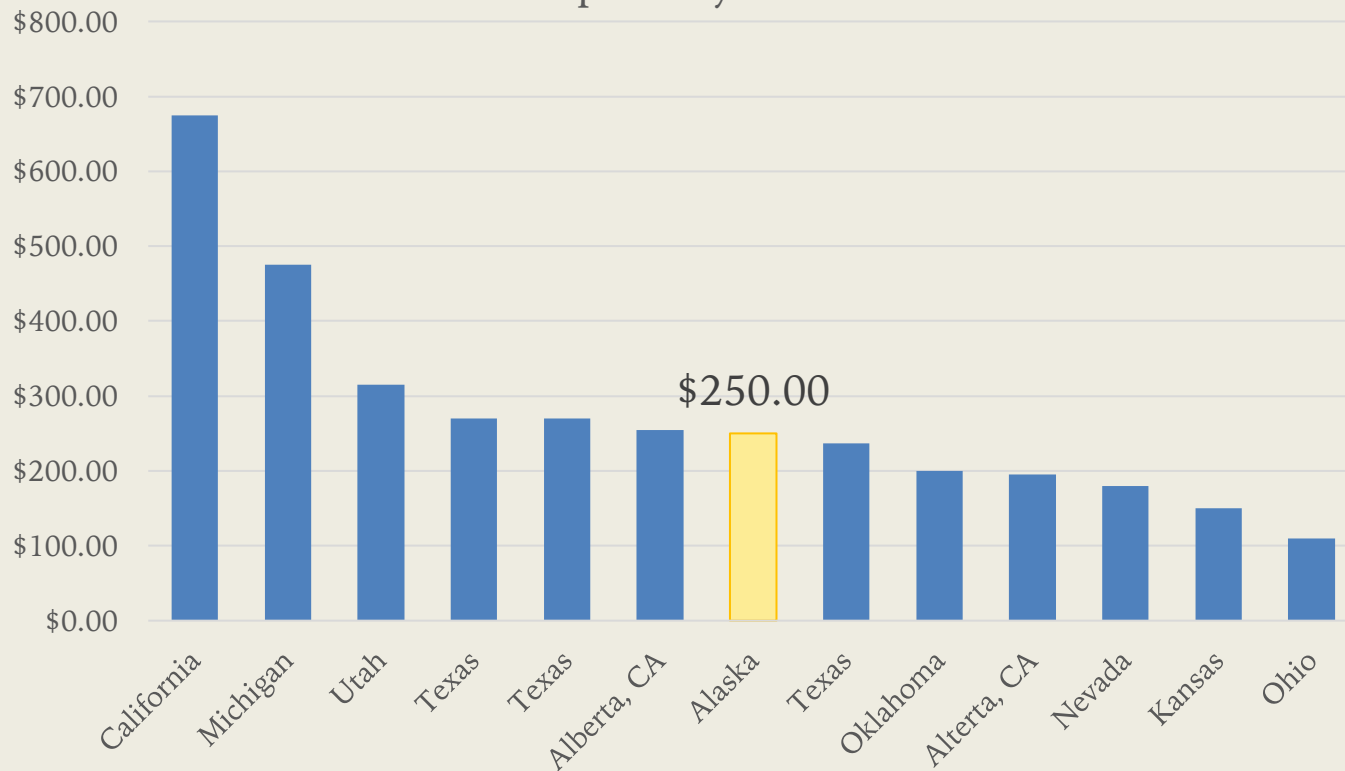
# Fees at Other Core Repositories



# Fees at Other Core Repositories



Core Repository Service Fees



Based upon a half-day (4 hrs.):  
1. Viewing 10 boxes of core  
2. Viewing 10 boxes of cuttings  
3. Having 10 plugs made from core

13 repositories compared

# Seismic Data: Cost to the State



10-year DNR estimated cost	\$8,804,115
Total number of surveys	49
Average cost per survey	\$179,676
Est. number of sales/survey	5
Est. average cost per sale	\$35,935

# Seismic Data: Proposed Pricing



## 2-D Surveys

Price per line mile	\$75
Lowest price survey (50 mi)	\$3,750
Highest price survey (250 mi)	\$18,750

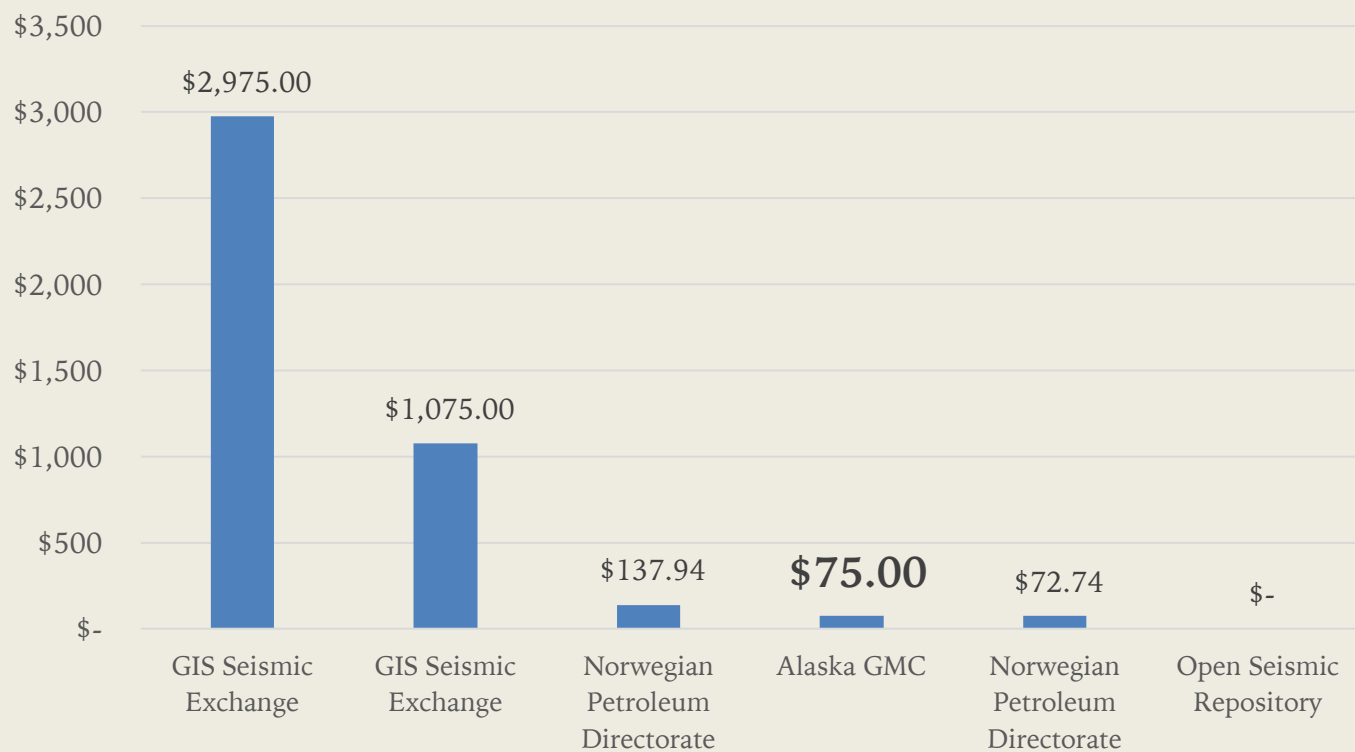
## 3-D Surveys

Price per square mile	\$300
Price per GB	\$1.50
Lowest price survey (50 mi <sup>2</sup> )	\$15,075 (\$302/mi <sup>2</sup> )
Highest price survey (650 mi <sup>2</sup> )	\$202,500 (\$312/mi <sup>2</sup> )

# Seismic Data: Price Comparison



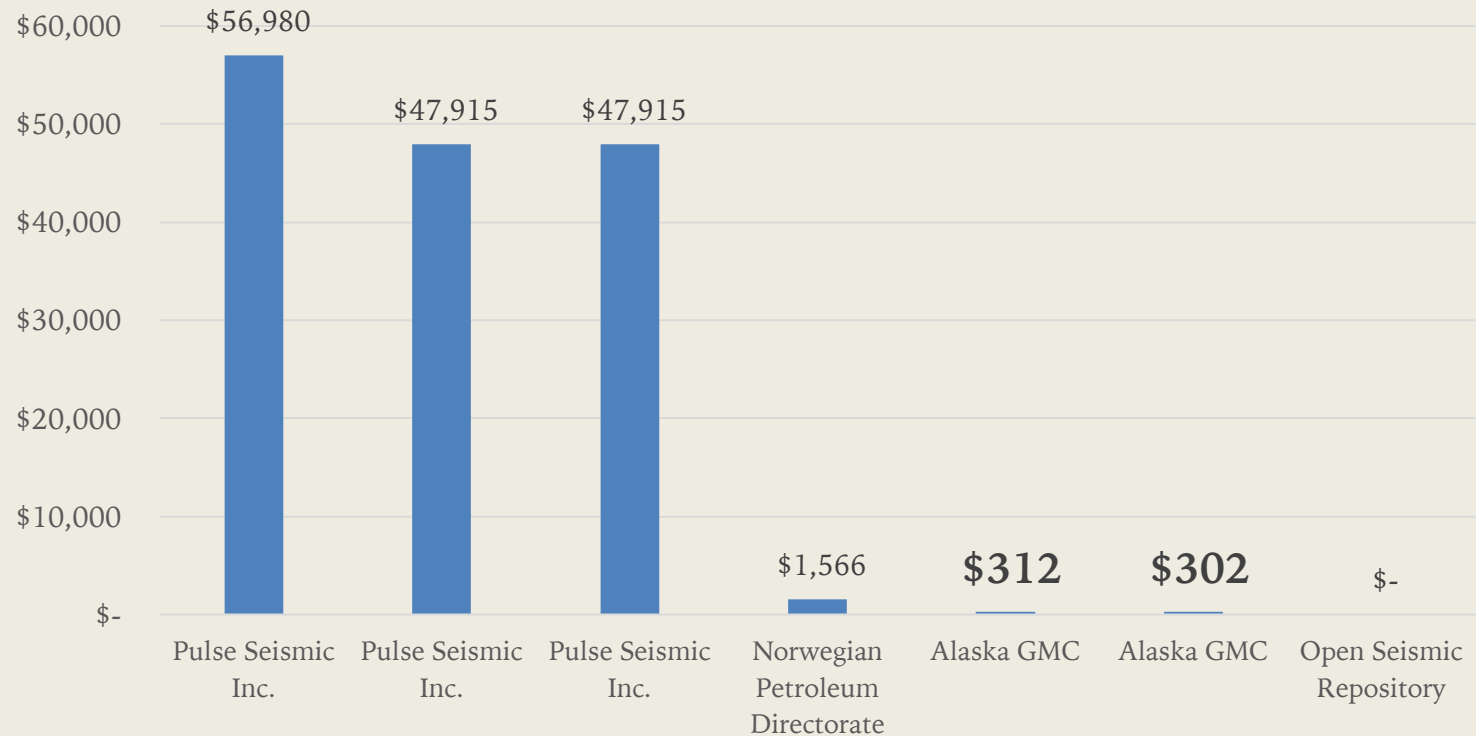
## 2-D Seismic Data: Cost Per Mile



# Seismic Data: Price Comparison



## 3-D Seismic Data: Cost Per Square Mile



# Public Interest



## Waivers

- The division shall waive fees under this section for a student, teacher, or group who uses facilities, equipment, products, or services for *educational purposes*.
- The director may discount or waive a fee when the director determines that the reduction or waiver is in the public interest, including for State or Federal agency staff.

# Public Interest



## Discounts

- A discount of the fees may be provided to students, staff, and professors conducting *academic research* and actively enrolled in an accredited university; the amount of the discount may be up to 100 percent of the fees.
- Fee discounts and waivers shall be uniformly applied among persons who are similarly situated.



# Regulation Details



## Definitions

- “Academic Research” means the study of geologic materials or information at the undergraduate, graduate, post-graduate or professional levels through an institute of higher education, with the intent of publishing the results in a thesis, dissertation, or peer-reviewed journal article.
- “Educational Purposes” means a grade school or university student or class using the facility for education, including educators promoting the theory and practice of teaching.

# Thank You



## Questions & Comments